

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (9/10):
BUTTER: Grade AA closed at \$1.3500. The weekly average for Grade AA is \$1.3500 (+.0117).

CHEESE: Barrels closed at \$1.5000 and blocks at \$1.7000. The weekly average for barrels is \$1.5263 (-.0852) and blocks, \$1.7113 (-.0557).

NONFAT DRY MILK: Extra Grade closed at \$1.0300 and Grade A at \$1.0500. The weekly average for Extra Grade is \$1.0300 (N.C.) and Grade A, \$1.0500 (N.C.).

BUTTER: The market tone remains unsettled. Butter producers and handlers have varying opinions as to the direction of current markets. Churning schedules during the past holiday weekend were active. Cream supplies were more available to butter producers as ice cream production declines and standardizing for school lunch programs increases. Many butter producers anticipate cream volumes to remain available as production of Class II items, especially ice cream, seasonally declines. Weakening cheese prices are also causing more milk to become available to butter/powder operations. In most instances, stocks of both fresh and frozen butter are readily available for current needs.

CHEESE: The cheese market remains weak. The wide spread between blocks and barrels, on occasion up to 20 cents, continues to pressure barrel manufacturers competing and paying for milk. Offerings are increasing. Many buyers have reduced purchases to work down inventories. Current cheese production is seasonally heavy, reflecting milk receipts. During the first 7 months of 1999, cumulative U.S. cheddar output totals 1.689 billion pounds, up 101.2 million pounds (6.4%) from the same period in 1998. Cumulative 1999 total cheese output during the same period totals 4.598 billion pounds, up 216.3 million pounds (4.9%) from last year.

FLUID MILK: In the Northeast, milk output is mostly steady, while milk remains short of full needs in the Southeast. Imports into the Southeast continue, but have slowed from the record levels of a few weeks ago. In the Midwest, milk production is declining seasonally, but many plant managers indicate that August receipts were heavier when compared to August 1998. In the Southwest, warm days but cool nights provided for good milking conditions. For the most part, milk intakes remain seasonally strong for this time of the year. Milk volumes in the Northwest are much the same and continue to run ahead of last year at this time. Milk intakes during the past holiday weekend

were manageable in most areas of the country. Many bottlers were very active filling school lunch pipelines over the weekend. However, in areas where schools are already in session, the Monday holiday reduced the need for bottled milk. Cream supplies are more available for butter producers as ice cream production starts to ease along seasonal patterns.

DRY PRODUCTS: Dry product markets are generally steady with prices unchanged to slightly higher. Surplus milk volumes over the past holiday were not excessive, thus manufactured dairy product production schedules during the weekend were much the same as before. Some nonfat dry milk producers were able to produce high heat powder due to lighter volumes of surplus milk. Butter production improved slightly during the holiday weekend, but buttermilk powder remains in close balance to tight. Ice cream production is seasonally declining but continues to absorb good volumes of condensed buttermilk. Whey markets are steady to firm as cheese production slows due to falling prices and lighter milk volumes. Stocks are reported to be in good balance with demand. Demand is fair, but some buyers have shown resistance to higher asking prices.

CCC: During the week of September 6 - 10, CCC purchased 949,702 pounds of nonfortified NDM.

AUGUST AGRICULTURAL PRICE HIGHLIGHTS (NASS): The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in August 1999 was unchanged at 116. Compared with August 1998, the index was unchanged. The index of prices received by farmers for dairy products advanced 9 points during the month of August to 114. Compared with August 1998, the index was down 5 points (4.2%). On a 3.5% butterfat basis, prices received by farmers in August with changes from July were: for All Milk, \$14.85, up \$1.18; Fluid Grade Milk, \$14.85, up \$1.08; and for Manufacturing Grade Milk, \$14.64, up \$1.56.

JULY DAIRY PRODUCTS HIGHLIGHTS (NASS): Butter production was 78.3 million pounds in July, 22.8% above July 1998 but 8.9% below June 1999. American type cheese production totaled 300.5 million pounds, 8.2% above July 1998 and 1.1% above June 1999. Total cheese output (excluding cottage cheese) was 645.6 million pounds, 5.8% above July 1998 but 4.0% below June 1999. Nonfat dry milk production, for human food, totaled 101.5 million pounds, 18.5% above July 1998 but 15.7% below June 1999. Dry whey production, for human food, was 89.1 million pounds, 9.4% below July 1998 and 5.5% below June 1999.

****SPECIALS THIS ISSUE****

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**CHICAGO MERCANTILE EXCHANGE
CASH TRADING**

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY SEPTEMBER 6	TUESDAY SEPTEMBER 7	WEDNESDAY SEPTEMBER 8	THURSDAY SEPTEMBER 9	FRIDAY SEPTEMBER 10	WEEKLY CHANGE*	WEEKLY AVERAGE#
CHEESE BARRELS	H	\$1.5500 (-.0400)	\$1.5400 (-.0100)	\$1.5150 (-.0250)	\$1.5000 (-.0150)	-.0900	\$1.5263 (-.0852)
	O						
40# BLOCKS	L	\$1.7000 (N.C.)	\$1.7400 (+.0400)	\$1.7050 (-.0350)	\$1.7000 (-.0050)	N.C.	\$1.7113 (-.0557)
NONFAT DRY MILK EXTRA GRADE	I	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	\$1.0300 (N.C.)	N.C.	\$1.0300 (N.C.)
	D						
GRADE A	A	\$1.0500 (N.C.)	\$1.0500 (N.C.)	\$1.0500 (N.C.)	\$1.0500 (N.C.)	N.C.	\$1.0500 (N.C.)
BUTTER GRADE AA	Y	----	\$1.3500 (+.0100)	----	\$1.3500 (N.C.)	+.0100	\$1.3500 (+.0117)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM

CHICAGO MERCANTILE EXCHANGE

MONDAY, SEPTEMBER 6, 1999 -- NO TRADING

TUESDAY, SEPTEMBER 7, 1999

CHEESE -- SALES: 1 CAR BARRELS @ \$1.5500; 2 CARS 40# BLOCKS: 1 @ \$1.6950, 1 @ \$1.7000; BIDS UNFILLED: 2 CARS 40# BLOCKS: 1 @ \$1.6950, 1 @ \$1.6900; OFFERS UNCOVERED: 4 CARS BARRELS: 1 @ \$1.5875, 3 @ \$1.5900
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, SEPTEMBER 8, 1999

CHEESE -- SALES: 3 CARS BARRELS: 2 @ \$1.5450, 1 @ \$1.5400; 12 CARS 40# BLOCKS: 2 @ \$1.7000, 4 @ \$1.7100, 2 @ \$1.7200, 2 @ \$1.7300, 2 @ \$1.7400; BIDS UNFILLED: 3 CARS 40# BLOCKS: 2 @ \$1.7400, 1 @ \$1.7025; OFFERS UNCOVERED: 4 CARS BARRELS: 1 @ \$1.5400, 3 @ \$1.5500
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER -- SALES: 21 CARS GRADE AA: 1 @ \$1.3200, 1 @ \$1.3250, 1 @ \$1.3275, 1 @ \$1.3300, 1 @ \$1.3350, 1 @ \$1.3400, 1 @ \$1.3375, 1 @ \$1.3325, 1 @ \$1.3400, 1 @ \$1.3450, 1 @ \$1.3500, 1 @ \$1.3450, 1 @ \$1.3425, 1 @ \$1.3400, 1 @ \$1.3450, 1 @ \$1.3475, 1 @ \$1.3375, 1 @ \$1.3425, 1 @ \$1.3450, 1 @ \$1.3475, 1 @ \$1.3500; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 5 CARS GRADE AA: 1 @ \$1.3550, 1 @ \$1.3600, 1 @ \$1.3700, 1 @ \$1.3800, 1 @ \$1.4100

THURSDAY, SEPTEMBER 9, 1999

CHEESE -- SALES: 3 CARS BARRELS: 1 @ \$1.5300, 1 @ \$1.5200, 1 @ \$1.5150; 7 CARS 40# BLOCKS: 2 @ \$1.7400, 1 @ \$1.7300, 1 @ \$1.7050, 1 @ \$1.7000, 2 @ \$1.7050; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 6 CARS BARRELS: 2 @ \$1.5375, 4 @ \$1.5400; 6 CARS 40# BLOCKS: 1 @ \$1.7150, 4 @ \$1.7400, 1 @ \$1.7500
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, SEPTEMBER 10, 1999

CHEESE -- SALES: 1 CAR BARRELS @ \$1.5000; 7 CARS 40# BLOCKS: 4 @ \$1.7000, 1 @ \$1.7025, 2 @ \$1.7000; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 3 CARS BARRELS @ \$1.5150; 5 CARS 40# BLOCKS @ \$1.7050
 NONFAT DRY MILK -- SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER -- SALES: 2 CARS GRADE AA: 1 @ \$1.3475, 1 @ \$1.3500; BIDS UNFILLED: 2 CARS GRADE AA: 1 @ \$1.3300, 1 @ \$1.2900; OFFERS UNCOVERED: 10 CARS GRADE AA: 1 @ \$1.3550, 1 @ \$1.3575, 2 @ \$1.3600, 1 @ \$1.3650, 2 @ \$1.3700, 2 @ \$1.3800, 1 @ \$1.4700

BUTTER MARKETS**JULY BUTTER PRODUCTION**

During July, butter production in the United States totaled 78.3 million pounds, 22.8% above July 1998, but 8.9% below June 1999. The following are percentage changes from July 1998 for various states: CA +28.3%, MN -11.8%, NY +97.4%, OR -15.4%, PA +36.0%, WA +104.5%, and WI -12.9%. Cumulative output for the first seven months of 1999 totals 724.0 million pounds, 9.1% higher than the same period in 1998.

NORTHEAST

The market tone is more unsettled than it has been. After dropping the first two trading days last week, butter prices at the CME rebounded on Friday (8/3). Contacts are unsure of what this signal means, but they do note that "a lot" of butter was stored this spring in the \$1.35-1.40 range. Churning activity is light, but was expected to increase during the long holiday weekend. Fresh butter stocks remain tight, but supplies of frozen butter are more than ample to meet current needs. Many printers are microfixing to fill existing print butter orders. Retail movement is slow to fair, best when and where featured. Food service orders are slower in resort areas now the summer is unofficially over.

CENTRAL

The butter market tone is unsettled. Producers and handlers have mixed opinions as to the direction of current markets. Churning activity during the past Labor Day holiday weekend was heavier as cream supplies became more available. Many producers continue to report additional cream offerings and

attribute availability to lighter ice cream production and strong standardizing for school milk needs. Butter stocks are fully sufficient for current buyer interest. Fresh butter stocks are reported to be more available now that churning is more active. Orders are lighter early in the week as buyers assess inventories prior to placing new orders.

WEST

Churning activity is somewhat heavier this week following the Labor Day weekend. Cream demand from other than butter churns is declining seasonally. Also, the major weakness in cheese markets is causing those manufacturers to shy away from any additional milk offerings. Demand for current butter supplies ranges from fair to good. Food service orders are good. Butter output for the summer season is heavy compared to last year. Cumulative output for the first seven months of the year is up 9.1% from the same period in 1998. If this trend continues, this would be the first rebound in annual butter production in six years.

WHOLESALE SELLING DIFFERENTIALS, F.O.B. PRODUCING PLANTS,
TRUCKLOAD QUANTITIES.

DUE TO A LACK OF CONSENSUS ON THE PART OF PRODUCERS AND BUYERS ABOUT THE BASING POINT FOR BULK BUTTER SALES (PREVIOUS FRIDAY'S CLOSE, PREVIOUS WEEK'S AVERAGE, DATE OF SALE, DATE OF SHIPMENT, ETC.), DAIRY MARKET NEWS IS TEMPORARILY SUSPENDING THE REPORTING OF PREMIUMS OR DISCOUNTS.

NASS DAIRY PRODUCT PRICES
U.S. AVERAGE AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 39% MOISTURE			
SEPTEMBER 4	1.9134 3,130,102	1.7898 7,922,360	1.0156 21,950,871	1.3248 3,230,897	0.1854 4,940,969

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices are 13 - 15.25 cents lower on process and natural cheddar items; unchanged on Swiss. The market tone is weak. Typically during a market price decline, buyers are resisting purchases as long as they can. Producers are also trying to limit output by moving fluid milk to other uses. However, there was quite a bit of milk available to manufacturing over the Labor Day weekend. With most schools reopening this week, surplus milk volumes have tightened. With colleges and schools back in session, cheese sales, particularly food service, are holding up quite well. The high retail prices for cheese are still a deterrent to consumption. Food service orders are switching away from the resort areas and back to the more urban areas.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.7800-2.2700
Cheddar Single Daisies	:	1.7600-2.2700
Cheddar 40# Block	:	1.9125-2.0825
Process 5# Loaf	:	1.8225-1.9800
Process 5# Sliced	:	1.8425-2.0700
Muenster	:	1.9625-2.2650
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market remains weak and most bulk cheese prices continue to descend. Current movement is typically slower, affected somewhat by the extended holiday weekend. Overall, natural cheese interest remains better than process. While product continues to move through channels, many buyers prefer to work down inventory. Processors continue to show some reluctance to make spot purchases, though producers are trying to maintain committed load shipments. Producers that can shift production are making as few barrels as possible. Block offerings are increasing. Swiss cheese prices are generally reacting to higher milk prices. Milk intakes are generally steady to lower. Cheese yields are slowly improving. Estimated July cheddar output in Wisconsin totaled 65.2 million pounds, up 2.3 million pounds (3.7%) from July 1998 and Minnesota production totaled 47.5 million pounds, up 1.4 million pounds (2.9%).

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.7925-2.2000
Brick And/Or Muenster 5#	:	2.2000-2.2325
Cheddar 40# Block	:	2.0250-2.2000
Monterey Jack 10#	:	2.1150-2.3800
Blue 5#	:	2.3600-2.7800
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	2.0950-2.2700
Grade A Swiss Cuts 6 - 9#	:	2.4000-2.6850

MIDWEST COMMODITY CHEDDAR

Dollars per pound, standard moisture basis (37.8-39.0%),
carlot/trucklot, F.O.B. plants or storage centers.

CHEDDAR STYLES	:	SEPTEMBER 6 - 10, 1999
BARRELS*	:	\$1.5400 - 1.6225 (NOMINAL)
	:	(-\$0.0600) (-.1400)
40# BLOCKS	:	\$1.7000 - 1.7875 (NOMINAL)
	:	(-\$0.0500) (-.1625)

() Change from previous week. * If steel, barrel returned.

WEST

Western cheese prices continue to fall quite rapidly based on trading at the CME. Current blocks remain in the best position with buyer interest continuing to be quite strong even with the declining prices. The process side of the market is not doing nearly as well. Demand has backed off as buyers wait for possible further price declines. Mozzarella demand is strong seasonally and offerings are not sufficient to meet current orders. Swiss buyers are entering the market in greater numbers as fall approaches. American cheese production for the U.S. in July totals 300.5 million pounds, up 8.2% from last year. For the first seven months of the year output of American cheese totals 2.11 billion pounds, up 6.7% from last year. July output for selected Western states compared to last year is as follows: California up 25.8%, Idaho up 12.6%, Oregon up 6.3%, Utah up 5.9%, and Washington down 1.1%. July output for Swiss cheese is 16.8 million pounds, down 9.5% from July 1998.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.7575-2.0175
Cheddar 40# Block	:	1.8850-2.0250
Cheddar 10# Cuts	:	2.0650-2.2850
Monterey Jack 10#	:	2.0750-2.2450
Grade A Swiss Cuts 6 - 9#	:	2.3500-2.5100

FOREIGN

Prices for domestically made cheese fell rather sharply (13 cents) for the second week in a row. The two-week drop is about 27 cents. Demand for foreign type cheeses is slowly improving along seasonal patterns. The high retail price of many cheeses does meet with some consumer resistance. As the prices for cheddar at the CME drop, interest for imported processing solids is easing. A recent report indicates that for the first half of 1999, the EU has issued licenses for cheese exports amounting to 64% of the GATT/WTO ceilings.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

		NEW YORK	
VARIETY	:	IMPORTED	: DOMESTIC
Roquefort	:	5.5000-6.8900	: -0-
Blue	:	2.6400-3.1400	: 2.1175-2.7275*
Gorgonzola	:	3.2400-5.9400	: 2.4900-2.7550*
Parmesan (Italy)	:	TFEWR	: 3.5275-3.5525*
Romano (Italy)	:	2.1000-2.9000	: -0-
Provolone (Italy)	:	3.4400-5.5000	: 2.1275-2.4025*
Romano (Cows Milk)	:	-0-	: 3.2975-5.5225*
Sardo Romano (Argentina)	:	2.6500-3.2900	: -0-
Reggianito (Argentina)	:	2.6500-3.2900	: -0-
Jarlsberg-(Brand)	:	2.7400-3.1200	: -0-
Swiss Cuts Switzerland	:	-0-	: 2.3500-2.5500
Swiss Cuts Finnish	:	2.5900-2.8500	: -0-
Swiss Cuts Austrian	:	2.2500-2.7500	: -0-
Edam	:		:
2 Pound	:	TFEWR	: -0-
4 Pound	:	2.1900-3.0900	: -0-
Gouda, Large	:	2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:		:
10 Ounce	:	27.8000-31.7000	: -0-

* = Price change.

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
09/06/99	11,400	121,332
09/01/99	11,548	122,126
CHANGE	-148	-794
% CHANGE	-1	-1

Based on the historical relationship of the preliminary U.S. Cold Storage report of July 31 and the selected centers storage report, the expected U.S. holdings as of Sept. 1 are:

Butter 93 million pounds plus or minus 4.34 percent
Cheese 540 million pounds plus or minus 5.30 percent

FLUID MILK AND CREAM

E A S T

Following the announcement of the August BFP, Eastern Milk Market Administrators announced changes to their class prices. The August BFP is \$15.79, up \$2.20 from July. Under the new Federal order reform system, due to go into effect October 1, the October Class I & II prices will be released on September 17. The August Class III prices are \$2.27 above July in orders 1, 2, and 4, and \$2.20 higher in order 36. The August Class III-A is \$12.72 in orders 1 & 2, \$12.74 in order 4, and \$12.62 in all other Eastern orders. The butterfat differential is \$0.136. Milk production is mostly steady throughout the East. Much needed rain, thanks to the remnants of Dennis, fell during the past week and milk output rebounded slightly in the Middle Atlantic area. Labor day weekend fluid milk supplies were not as heavy as anticipated. Many bottlers were very active filling school lunch pipelines over the weekend. However, in areas where schools are already in session, the Monday holiday reduced the need for bottled milk. Fluid milk supplies are still short of needs in the Southeast but imports have eased slightly. Florida handlers brought in 174 loads this week. This compares to 189 loads last week 239 during the same week last year. Imports into other Southeastern states total 268 loads this week which compares to 375 loads last week and 425 a year ago. Bottled milk demand is improved now that most schools are back in session, but retail sales also increase at this time of year. Surplus milk volumes are moderate, but butter/powder plants are still quite busy. The condensed skim market is sluggish this week. With higher Class II prices in effect, spot demand has all but ceased as users look to NDM for their solids. Prices for Class II condensed skim are up sharply with Class III prices unchanged and nominal. Some reports of distressed Class III sales were noted, but unconfirmed. With the slower demand for wet solids, drying schedules increased. The fluid cream market is weaker. Offerings increased over the long weekend and continued into the early part of this week. Spot prices are lower as both the multiples and last week's CME butter average are lower. Demand is slow to fair as ice cream production starts to ease along seasonal patterns. Some improved interest from cream cheese makers has been reported. The change in the market is evidenced by the fact that sellers are calling buyers/users. Until a week or two ago, that scenario was the other way around. Churning activity was up at more plants as more cream was available during the holiday weekend.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	1.7532-1.9272
DELIVERED EQUIVALENT ATLANTA	-	1.7670-1.9272 M 1.7933-1.8736
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	1.7822-1.9272

PRICES OF CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- 1.1800-1.2500
NORTHEAST- CLASS III - SPOT PRICES	- 1.3500-1.5000

M I D W E S T

WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
SEPTEMBER 3 - 9, 1999	27
PREVIOUS WEEK	51
COMPARABLE WEEK IN 1998	78

DESTINATIONS: KENTUCKY 6, MISSOURI 21

Class I sales were erratic over the extended holiday weekend. In spite of the first of the month, retail fluid sales were not really stimulated. The reopening of Detroit schools will help Michigan fluid sales. Another 21 loads of Wisconsin milk are direct shipped to Missouri along with 16 loads to Kentucky and 15 to Georgia. These loads are pooled under a Southern federal order to supplement local offerings. Ohio also received about 16 loads of Class II milk from Indiana. Extra milk is available if Southern buyers require additional supplies. Handlers had little difficulty in clearing surplus loads as plants are

far from capacity. On a very light test, reported manufacturing milk prices are in the \$2.00 - 3.00 over class delivered area. Buyers are reluctant to pay the higher premiums still being asked by some sellers. Cream prices are generally lower, reflecting recent price declines in the Chicago Mercantile cash butter prices. Current milk intakes are drifting slightly lower, though some plants are basically unchanged on week to week intakes. Many plants are reporting milk intakes during August through most of the upper Midwest to be above year ago levels. The harvest season is continuing for some producers sneaking in another hay cutting and, also chopping corn silage. Husks and leaves are drying out on the corn ears and early planted soybeans are changing color and dropping leaves.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	SEPT 2 - 8	PREVIOUS YEAR
SLAUGHTER COWS	\$ 33.00- 39.00	\$ 33.00- 38.00
REPLACEMENT HEIFER CALVES	\$275.00-350.00	\$160.00-210.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	SEPT 2 - 8	PREVIOUS YEAR
SLAUGHTER COWS	\$ 33.50- 43.00	\$ 32.00- 37.50

W E S T

The August 4a price (butter/powder) in California is \$12.74, up 29 cents from July 1999 but \$3.38 lower than last year. The 4b price (cheese) is \$16.90, \$2.94 higher than last month and \$2.03 higher than last year. The August BFP used in federal orders is \$15.79, \$2.20 higher than July and 80 cents higher than August 1998. October 1999 Class I prices in California range from \$19.53 in the north to \$19.80 in the south. (The November price announcement is pending the results of an upcoming public hearing.) The statewide average Class I based on production is \$19.59. The average is \$4.93 cents higher than the prior period and \$1.95 higher than last year. Weather conditions remain favorable for milk production in California. High temperatures moved into the 90's, but cooler nighttime temperatures provided for better conditions. Milk output was moving higher for many producers. Few problems handling milk were reported in the state over the extended holiday weekend. Feed conditions and prices remain favorable from milk producers' perspective. New Mexico milk production is trending higher from recent weeks' levels. Milk cows are responding favorably to cooler and drier weather conditions. Fat and total solids' content of the incoming milk are increasing and are especially better than a year ago. Haying conditions remain favorable in the southern and southeastern areas of the state, where fifth cuttings are being harvested. Hot and humid conditions are limiting milk production increases in Arizona. Western cream markets are a little firmer. The holiday weekend did disrupt some movements, but the week started with good demand. Butter churners are said to be seeking more cream as they begin to prepare for the upcoming holiday print season. Ice cream demand is slowing seasonally and cream usage for ice cream production is declining. Some additional milk was available over the holiday weekend, but manufacturing plants in the Northwest handled the surplus with few problems. Some groups are trying to move milk around because of very different returns depending on what is manufactured. Most contacts in the region note that milk output is higher than anticipated for this time of the year. Reports also note that seasonal demand for various types of manufactured products is changing as the transition from summer to fall is completed. All schools in the region are now in session and that does impact the product mix. Producers are somewhat unsure what the fall season holds for them from a milk price point of view because of the gyrations of the BFP futures market over the past two weeks. Feed and hay costs are reasonable and that does mean a generally good winter from a return point of view. Offerings of close up heifers are very light and prices continue to increase at monthly sales in the region. Dairy quality hay sales are slow to develop, but sales of feeder hay, especially into Montana, are increasing. Fall conditions are more common over northern Utah and southern Idaho. Scattered showers have been a problem for some third cutting hay. Milk output is declining seasonally, but the solids content is increasing. Some additional plant capacity is expected to be online in the near future.

CENTRAL AND WEST DRY MILK PRODUCTS

All reports, except California manufacturing plants, were released 09/09/99 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL

Prices are unchanged to higher and the market tone remains mixed. Higher priced condensed is encouraging interest in NDM. Some producers are preparing fortified product for government purchase. Production is not showing any increase from the extended Labor Day weekend. Inventories are generally in balance for current needs. Demand is fair with some activity into Mexico. High heat and Grade A product remain tight. Production of human food, nonfat dry milk during July 1999 totaled 101.5 million pounds, up 18.5% from July 1998 but 15.7% below June 1999. Month ending stocks, at 142.4 million pounds, are 23.4% above a year ago but 10.1% less than June.

Includes EXTRA GRADE and GRADE A, low and medium heat

NONFAT DRY MILK: 1.0300 - 1.0700 MOSTLY: 1.0350 - 1.0550

DRY BUTTERMILK - CENTRAL

Prices are unchanged on a generally steady market. Production is limited as churning activity remains light. While ice cream interest is showing signs of seasonal decline, condensed product still clears well into ice cream production. Many producers are working off inventory. Fresh product is traded at the higher end of the range and is difficult to find. Plenty of aged product is available at prices within the range. Dry buttermilk production during July 1999 totaled 2.7 million pounds, down 8.0% from July 1998 and 17.7% lower than June 1999. Month ending stocks, at 3.9 million pounds, are 16.6% below last year and 15.8% lower than last month.

BUTTERMILK: .7400 - .8200

DRY WHEY - CENTRAL

Prices are unchanged on a steady market. Trading is slow due in part to the shorter work week. Resellers are showing less interest in buying product at the current market and prefer to sell from inventories. Some contacts infer that deproteinized whey is luring away Extra Grade business. Offerings are available at prices below the range. Inventories are adequate for the fair demand. Production of human food, dry whey during July 1999 totaled 89.1 million pounds, 9.4% less than July 1998 and 5.5% below June 1999. Month ending stocks, at 49.8 million pounds, are 35.9% above a year ago yet 8.7% lower than June 1999.

NONHYGROSCOPIC: .2000 - .2250 MOSTLY: .2000 - .2050

ANIMAL FEED WHEY - CENTRAL

Milk replacer and roller ground moved higher with last week's change on the Extra Grade market. The market tone is generally steady. Brand specific product is clearing best into calf milk replacer products. Producers report inventories in balance. Traders believe that there is plenty of product out there and prefer to wait to make their trades. Early weaned pig demand is mixed with receipts up compared to last week. The undertone on veal is trending firm. Production of animal feed dry whey during July 1999 totaled 9.1 million pounds, 42.8% higher than a year ago and 12.2% more than June 1999. Month ending stocks, at 9.4 million pounds, are 156.7% above July 1998 and 24.5% higher than last month.

MILK REPLACER: .1475 - .1975
STANDARD: TFEWR
ROLLER GROUND: .1775 - .2125
DELACTOSE (Min. 20% protein): .2600 - .3150

LACTOSE - CENTRAL AND WEST

Prices are unchanged on a steady to firm market. Excess supplies in Australia, New Zealand and the EU are increasing competition on the export market. Export and domestic trade is good for the tight supplies. Production is steady to sometimes lower due to fluctuations in the milk supply. Feed grade product is less available than previous past. Most producers are anticipating a strong 4th quarter. Lactose production during July 1999 totaled 37.1 million pounds, down 9.5% from July 1998 but 0.8% above June 1999. Month ending stocks, at 20.0 million pounds, are 39.5% lower than a year ago and down 16.2% from last month. Production totals for selected regions with changes from 1998 include: East North Central, 8.4 million pounds, -6.4%; West North Central, 13.0 million pounds, -18.3%; West, 14.1 million pounds, -2.7%.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1800 - .2300 MOSTLY: .1875 - .1925

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices remain unchanged on a steady market. Inventories are still burdensome on the West Coast. Cheese production is down in some areas, encouraging a reduction in WPC supplies. Midwest producers are often tight on product yet fail to gain substantial premiums as Western product is shipped East at competitive prices. Imported blends and high protein WPC also compete for the 34% market. The condensed market is tight with a good demand from the feed industry. Traders are not anticipating any changes in the near future. Production of human food WPC during July totaled 26.9 million pounds, up 20.7% from July 1998 but unchanged from June 1999. Manufacturers' end-of-month stocks totaled 17.0 million pounds, 29.9% higher than a year ago but 4.3% below last month.

EXTRA GRADE 34% PROTEIN: .4000 - .4700 MOSTLY: .4300 - .4600

NONFAT DRY MILK - WEST

Low/medium heat NDM prices are mixed with the mostly range slightly higher. The market tone is steady. Conditions remain favorable for milk production in the West and drying of NDM remains active to process the milk. Demand is fair to good for current offerings. DEIP orders continue to be filled with some producers filling orders through September. Sales continue to the CCC under the support program. Stocks are indicated to be in better shape, but are ample for most trade needs. During the week of August 30 - September 3, CCC net purchases were 2.1 million pounds of nonfortified NDM from Western producers. U.S. NDM production in July totaled 101.5 million pounds, up 18.5% from last year but 15.7% less than last month. Cumulative output for the first seven months of 1999 totals 857.2 million pounds, up 16.7% from 1998. Stocks at the end of July were reported at 142.4 million pounds, up 23.4% from last year but 10.1% lower than last month. July production in California totaled 51.1 million pounds, up 23.8% from last year, and Washington output totaled 17.1 million pounds, up 44.1% from a year ago.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.0050 - 1.0300 MOSTLY: 1.0100 - 1.0250
HIGH HEAT: 1.0400 - 1.0450

DRY BUTTERMILK - WEST

Prices are higher on the bottom end of the range, but the overall tone of the market is mostly steady. Offerings and demand are both seasonally light. Stocks are generally limited as production levels are low. U.S. buttermilk powder production in July totaled 2.7 million pounds, down 8.0% from last year and 17.7% lower than June. Stocks at the end of the month were reported at 3.9 million pounds, down 16.6% from a year earlier and 15.8% below June.

BUTTERMILK: .7200 - .7800 MOSTLY: .7200 - .7600

DRY WHEY - WEST

Both range and mostly prices for Western whey showed signs of strength this week. Buying interest has improved over the past few weeks for both export markets and domestic sales. Results of the current Japanese tender will be known later this week. Manufacturers are generally more comfortable with inventory levels. Production levels are holding steady. July U.S. whey production was down 9.4% from last year at 89.1 million pounds. Output for selected Western states compared to last year is as follows: California down 0.8%, Utah down 9.7%, and Washington down 35.5%.

NONHYGROSCOPIC: .1775 - .2000 MOSTLY: .1775 - .1875

CALIFORNIA MANUFACTURING PLANTS - NONFAT DRY MILK

WEEK ENDING	PRICE	POUNDS
September 3	\$1.0098	12,787,155
August 27	\$1.0086	12,409,591

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

NONFAT DRY MILK - NORTHEAST AND SOUTHEAST

Prices are generally unchanged and the market tone is fairly firm. With Class II milk prices up significantly this month, condensed skim prices increased accordingly. With these price increases, solids users are switching away from wet and toward NDM. The move away from condensed skim is causing increased drying activity, but the improved demand is giving powder sales a boost. Surplus milk volumes are lighter now that schools are back in session and some producers are taking this opportunity to make high heat powder. Others are replenishing low heat stocks. There was additional milk to be processed during the Labor Day weekend. Production of human food, nonfat dry milk during July 1999 totaled 101.5 million pounds, up 18.5% from July 1998 but down 15.7% from June 1999. Month ending stocks, at 142.4 million pounds, are 23.4% above a year ago but 10.1% less than a month ago.

Includes EXTRA GRADE AND GRADE A

F.O.B. NORTHEAST:

LOW/MEDIUM HEAT: 1.0300 - 1.0700 MOSTLY: 1.0500 - 1.0600
HIGH HEAT: 1.0600 - 1.1100 MOSTLY: 1.0600 - 1.0900

DELVD SOUTHEAST:

ALL HEATS: 1.0650 - 1.1300

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

Prices and the market tone are unchanged. Production levels are up slightly as a little more churning occurred during the Labor Day weekend. Demand is quite good and most Eastern producers have little powder on hand for spot sales. Dry buttermilk production during July 1999 totaled 2.7 million pounds, down 8.0% from July 1998 and 17.7% less than June 1999. Month ending stocks, at 3.9 million pounds, are 16.6% less than a year ago and 15.8% below last month.

F.O.B. NORTHEAST: .7500 - .8000
DELVD SOUTHEAST: .7800 - .8450

DRY WHOLE MILK - NATIONAL

Prices are higher as producers react to the higher Class III milk prices. Production levels are light and generally geared to meeting contracts. Spot demand is slow to fair as most users have enough powder under contract to meet current needs. Dry whole milk production during July 1999 totaled 9.0 million pounds, down 24.8% from July 1998 and 8.6% below June 1999. Month ending stocks, at 7.5 million pounds, are 3.3% above a year ago but 4.1% less than last month.

F.O.B. PRODUCING PLANT: 1.4000 - 1.7000

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 1999 THROUGH SEPTEMBER 3, 1999
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	28,684	MT (63,236,746 LBS)
CHANGE	--	1,660	MT (3,659,636 LBS)
WHOLE MILK POWDER	--	28	MT (61,729 LBS)
CHEESE	--	326	MT (718,700 LBS)
CHANGE	--	101	MT (222,665 LBS)
BUTTERFAT	--	0	MT

Allocations for the DEIP year beginning July 1, 1999, are: Nonfat dry milk - 76,207 MT; Whole Milk Powder - 2,518 MT; Cheese - 3,190 MT; Butterfat - 25,475 MT.

These DEIP allocations are in addition to balances still available from quantities announced on May 13, 1999; 25,177 MT of Nonfat Dry Milk (to be filled in roughly equal quarterly amounts during the GATT-year beginning July 1, 1999), 7,500 MT of dry whole milk, and 1,270 MT of cheese.

DRY WHEY - NORTHEAST AND SOUTHEAST

Prices of Extra Grade are mixed; steady and nominal on Grade A. Dry whey production is steady to lighter as a little less surplus milk is available now that schools are reopening. Producers' stocks range from balanced to fully adequate. Demand is fair, but buyers have shown some resistance to prices at the higher end of the range. Grade A whey remains very tight and some producers are sold out for the next month or two. Demand is just fair as users work off inventories while they wait to see where this market is going. Production of human food, dry whey during July 1999 totaled 89.1 million pounds, 9.4% less than July 1998 and 5.5% below June 1999. Month ending stocks, at 49.8 million pounds, are 35.9% above last year but 8.7% less than a month ago.

F.O.B. NORTHEAST:	EXTRA GRADE	.2025 - .2150
	USPH GRADE A	.2400 - .2600
DELVD SOUTHEAST:		.2375 - .2425

ANIMAL FEED WHEY - NORTHEAST

Prices are still too few to report and the market tone is unchanged. Demand from animal feed makers and users remains lackluster. Offerings of whey powder to feed accounts are more than ample for current needs. Production of animal feed, dry whey during July 1999 totaled 9.1 million pounds, 42.8% more than a year ago and 12.2% more than June 1999.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

EVAPORATED MILK - NATIONAL

Prices and the market tone are steady. Production levels were up slightly over the holiday weekend when more surplus milk was available. Demand is steady and mostly for replacement volumes. Some buy-ins were taking place, but for the most part, buyers can only make one such order per price increase. Plant stocks are adequate for anticipated fall/winter needs. Canned evaporated milk production during July 1999 totaled 38.2 million pounds, 0.7% less than July 1998 and 10.5% below June 1999. Month ending stocks, at 44.5 million pounds, are 20.5% less than a year ago but 3.6% above last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$23.62 - 33.00

Excluding promotional and other sales allowances. Included new price announcements.

CASEIN - NATIONAL

Casein markets and prices remain unsettled and weak. Stocks are reported to be readily available on a contracted and spot basis. Spot offerings continue to be offered at lower prices which is putting downward pressure on reported price ranges. European production is declining seasonally as output in the Oceania region increases.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET:	1.7500 - 1.9000
ACID:	1.7800 - 1.9000

Federal Milk Order Reform Final Decision: Product Price Averages

The National Agricultural Statistics Service (NASS) began collecting, in September 1998, weekly prices and volume traded for butter, nonfat dry milk and dry whey. Monthly and two-week averages of these new price series, along with those already collected for cheese, will be used in the Federal milk order Final Decision pricing formulas. Listed below are these averages for the time period September 1998 to date. This table will be updated on a monthly basis as the data become available.

Year and Time Period	Product Price Averages ^{1/} For:									
	Class I/II					Class III/IV				
	Weeks ending	Butter	Cheese	Nonfat dry milk	Dry Whey	Weeks ending	Butter	Cheese	Nonfat dry milk	Dry Whey
	<u>Dollars per pound</u>					<u>Dollars per pound</u>				
<u>1998</u>										
Sep	9/4,11	2.5918	1.5842	1.0466	0.2624	9/4,11,18,25	2.6726	1.6260	1.0518	0.2637
Oct	10/9,16	2.4828	1.7597	1.0705	0.2563	10/2,9,16,23	2.5081	1.7607	1.0732	0.2544
Nov	11/6,13	2.0889	1.8269	1.0745	0.2426	10/30,11/6,13,20,27	1.9260	1.8278	1.0745	0.2425
Dec	12/4,11	1.3049	1.8552	1.0834	0.2450	12/4,11,18,25	1.3563	1.8643	1.0864	0.2436
<u>1999</u>										
Jan	1/9,16	1.4165	1.8198	1.0715	0.2213	1/2,9,16,23,30	1.4154	1.7225	1.0637	0.2137
Feb	2/6,13	1.2957	1.2824	1.0411	0.1909	2/6,13,20,27	1.2984	1.2925	1.0359	0.1897
Mar	3/6,13	1.3437	1.3056	1.0180	0.1913	3/6,13,20,27	1.3019	1.3064	1.0169	0.1917
Apr	4/10,17	1.0032	1.3154	1.0056	0.1842	4/3,10,17,24	1.0160	1.3126	1.0071	0.1845
May	5/8,15	0.9960	1.2639	1.0055	0.1748	5/1,8,15,22,29	1.0781	1.2499	1.0069	0.1739
Jun	6/5,12	1.4352	1.2422	1.0067	0.1717	6/5,12,19,26	1.4609	1.2786	1.0046	0.1711
Jul	7/10,17	1.3705	1.4548	1.0058	0.1724	7/3,10,17,24	1.3793	1.4583	1.0054	0.1724
Aug	8/7,14	1.4208	1.6849	1.0087	0.1773	7/31,8/7,14,21,28	1.3683	1.7154	1.0089	0.1810

^{1/} These averages are the average of the applicable weekly prices weighted by the sales volume for the week. See the columns labeled "weeks ending" for applicable weeks. The most recently released information for the week will be used. Once an average price has been computed, it will not be revised even if NASS issues revised data for a week used to compute the average. However, for the period September-December 1998, as NASS was developing the three new price series, these averages were changed to include revisions issued after the average's scheduled computation date.

Federal Milk Order Reform Final Decision: Comparison of Class I Mover and Class Prices to Current Pricing Provisions

The Federal milk order reform Final Decision carried a table that compared class prices calculated under the current pricing provisions to those computed using the formulas in the Final Decision for the period January 1994 through December 1998. Listed below is this table updated for January 1999 to date. Please note that the Class I price mover section has been changed as described in the footnote. Also, as it was stated in the Final Decision, this price information is shown for informational purposes only and should not be interpreted as the actual prices that would have occurred had the new pricing provisions been in effect.

Year and Month	Class I Mover ^{1/}		Class II Price		Class III Price		Class III-A/IV Price	
	Current	Final	Current	Final	Current	Final	Current	Final
1999	<u>Dollars per cwt.</u>							
January	16.84	17.44	17.14	14.31	16.27	15.85	13.12	13.45
February	17.34	16.90	17.64	13.72	10.27	11.35	12.78	12.71
March	16.27	12.74	16.57	13.47	11.62	11.51	12.36	12.56
April	10.27	12.75	10.57	12.05	11.81	11.64	11.06	11.26
May	11.62	11.67	11.92	12.21	11.26	10.91	11.62	11.53
June	11.81	11.16	12.11	13.84	11.42	11.04	13.29	13.14
July	11.26	13.04	11.56	13.50	13.59	12.92	12.37	12.79
August	11.42	12.88	11.72	13.46	15.79	15.61	12.62	12.77
September	13.59	15.26						

^{1/} In the Final Decision, these figures were shown for the month which contained the prices used to compute the applicable price mover; that is, for December 1998, the figures of \$17.34 and \$17.44 were derived from December product price information. However, because of advance pricing, the figures for December 1998 do not set the Class I prices for December 1998. On this table, the figures are shown for the month for which the Class I price is set. The current Class I mover for January 1999 is the Basic Formula Price for November 1998. The final Class I mover for January 1999 is the figure computed for December 1998.

Federal Milk Order Reform Final Decision: Producer Component Prices and Somatic Cell Adjustment

Year and Month	Butterfat	Protein	Other Solids	Somatic Cell Adjustment
	<u>Dollars per pound</u>			
January	1.5871	3.2928	0.0792	.00086
February	1.4444	2.0006	0.0544	.00065
March	1.4487	2.0428	0.0565	.00065
April	1.1000	2.5104	0.0491	.00066
May	1.1757	2.1984	0.0381	.00062
June	1.6426	1.6992	0.0352	.00064
July	1.5430	2.4431	0.0366	.00073
August	1.5296	3.3421	0.0455	.00086

AUGUST AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in August 1999 was unchanged at 116. Compared with August 1998, the index was unchanged. The index of prices received by farmers for dairy products advanced 9 points during the month of August 1999 to 114. Compared with August 1998, the index was down 5 points (4.2 percent).

On a 3.5 percent butterfat basis, prices received by farmers in August with changes from July were: for All Milk, \$14.85 per hundredweight (cwt.), up \$1.18; Fluid Grade Milk, \$14.85 per cwt., up \$1.08; and for Manufacturing Grade Milk, \$14.64 per cwt., up \$1.56.

SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., AUGUST 1999 WITH COMPARISONS

STATE	All-milk price <u>1/</u> <u>3/</u>				Milk cows <u>5/</u>		Cows <u>6/</u>		All hay baled <u>7/</u>	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	JULY		AUGUST		AUGUST		AUGUST		AUGUST	
	1999 <u>2/</u>	1998 <u>2/</u>	1999 <u>4/</u>	1998 <u>2/</u>	1999	1998	1999 <u>7/</u>	1998 <u>8/</u>	1999	1998
CA	13.21	14.33	14.37	15.67	PRICES PUBLISHED JANUARY, APRIL, JULY AND OCTOBER		37.00	34.50	74.00	95.00
ID	13.85	14.19	15.71	14.60			33.30	33.30	90.00	89.00
MI	13.30	13.56	14.07	14.92			36.00	36.70	61.00	92.00
MN	14.40	15.00	16.96	15.44			38.50	35.50	58.00	71.00
NY	13.48	13.96	14.39	15.23			---	---	107.00	85.00
OH	13.33	13.03	13.90	14.75			36.00	32.80	108.00	89.00
PA	13.89	13.67	14.06	15.53			37.00	35.70	126.00	114.00
TX	14.37	13.70	15.00	15.75			34.40	31.80	73.00	95.00
WA	13.85	14.47	16.23	15.60			---	---	100.00	104.00
WI	14.17	14.96	16.38	15.64			39.00	35.20	45.00	72.00
U.S.	13.67	14.18	14.85	15.48			37.00	34.20	77.40	88.50

1/ Prices converted to 3.5 percent butterfat. 2/ Partially revised. 3/ Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

MILK AND OTHER GENERAL PRICE MEASURES, U.S., AUGUST 1999 WITH COMPARISONS

ITEM	AUGUST 1998	JULY 1999 <u>1/</u>	AUGUST 1999 <u>2/</u>
PRICES RECEIVED BY FARMERS , dol. per cwt., 3.5 percent butterfat:			
All milk	15.48	13.67	14.85
Fluid grade milk	15.48	13.77	14.85
Manufacturing grade milk	14.38	13.08	14.64
INDEX NUMBERS (1990-92=100):			
Prices received by farmers for all farm products	101	95	98
Prices received by farmers for dairy products	119	105	114
Prices paid by farmers for commodities and services, interest taxes, and wage rates	116	116	116
Prices paid by farmers for production items	114	113	113
Prices paid by farmers for feed	106	98	97
MILK FEED PRICE RATIO: Pounds of 16% Mixed Dairy Feed equal in value to one pound of milk <u>3/</u>	3.61	3.58	3.86

1/ Partially revised. 2/ Preliminary. 3/ For this data series, the price of the commercial prepared feed is based on current U.S. prices received for corn, soybeans, and alfalfa hay.

SOURCE: "Agricultural Prices," Pr 1 (7/99), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

AUGUST 1999 DEIP BID ACCEPTANCES

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
NONFAT DRY MILK				
JULY 1 - 31, 1999		17,628		
08/02	CARIBBEAN, CENT & S. AM	493	AUG-JAN	\$1,060
08/02	CARIBBEAN, CENT & S. AM	315	AUG-DEC	\$1,060
08/04	CARIBBEAN, CENT & S. AM	170	AUG-DEC	\$1,044.71
08/04	CARIBBEAN, CENT & S. AM	70	AUG-DEC	\$1,030
08/04	AFRICA & MIDDLE EAST	15	AUG	\$1,100
08/05	AFRICA & MIDDLE EAST	100	AUG-SEP	\$1,100
08/05	CARIBBEAN, CENT & S. AM	20	AUG-SEP	\$1,055
08/06	CARIBBEAN, CENT & S. AM	220	AUG-JAN	\$1,039.09
08/10	CARIBBEAN, CENT & S. AM	136	AUG-DEC	\$1,020
08/11	CARIBBEAN, CENT & S. AM	270	AUG-DEC	\$1,020
08/11	AFRICA & MIDDLE EAST	51	AUG-NOV	\$1,090
08/12	AFRICA & MIDDLE EAST	1,500	SEP-DEC	\$1,090
08/13	CARIBBEAN, CENT & S. AM	671	AUG-MAR	\$1,024.45
08/13	AFRICA & MIDDLE EAST	2,947	SEP-APR	\$1,090
08/17	CARIBBEAN, CENT & S. AM	20	AUG-DEC	\$1,010
08/18	ASIA & FSU	18	AUG-SEP	\$1,000
08/19	CARIBBEAN, CENT & S. AM	90	AUG-SEP	\$990
08/19	ASIA & FSU	2,000	SEP-APR	\$1,040
08/20	CARIBBEAN, CENT & S. AM	15	AUG-SEP	\$990
08/24	CARIBBEAN, CENT & S. AM	70	AUG-SEP	\$990
08/25	CARIBBEAN, CENT & S. AM	60	SEP-OCT	\$1,010
08/27	CARIBBEAN, CENT & S. AM	120	SEP-DEC	\$1,010
08/27	ASIA & FSU	25	SEP-NOV	\$1,000
08/30	CARIBBEAN, CENT & S. AM	184	AUG-OCT	\$990
08/31	CARIBBEAN, CENT & S. AM	1,100	SEP-OCT	\$990
AUGUST 1 - 31, 1999		<u>10,680</u>		
WHOLE MILK POWDER				
JULY 1 - 31, 1999		8		
08/19	CARIBBEAN, CENT & S. AM	20	AUG-SEP	\$1,450
AUGUST 1 - 31, 1999		<u>20</u>		
CHEESE				
JULY 1 - 31, 1999		181		
08/06-M	AFRICA & MIDDLE EAST	44	AUG-DEC	\$1,600
08/30-MJ	AFRICA & MIDDLE EAST	3	AUG-DEC	\$1,600
08/30-C	AFRICA & MIDDLE EAST	3	AUG-DEC	\$1,600
08/31-P	CARIBBEAN, CENT & S. AM	95	SEP-NOV	\$1,575
AUGUST 1 - 31, 1999		<u>145</u>		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN, CC-CREAM CHEESE, MJ-MONTEREY JACK, V - VARIETAL				
BUTTERFAT				
JULY 1 - 31, 1999		<u>0</u>		
A-ANHYDROUS MILKFAT, B-BUTTER				
TOTAL MT				PROGRAM TO DATE
TOTAL BONUS VALUE				28,662
				\$31,137,385

Exporters of U.S. milk powder, butterfat and cheddar cheese are aided under the Dairy Export Incentive Program (DEIP), created by Food Security Act of 1985 and extended by the Food, Agriculture, Conservation, and Trade Act of 1990. Export sales are facilitated through payment of bonuses by the U.S. Department of Agriculture's Commodity Credit Corporation. Sales of dairy products will be made through normal commercial channels at competitive world prices. For further information call L.T. McElvain (202) 720-6211. Conversion: 1 metric ton (MT) = 2,204.6 pounds. **SOURCE: FOREIGN AGRICULTURAL SERVICE**

** On May 13, 1999, Sec. Glickman reallocated an additional 20,000 MT of NDM, 7,500 MT of Whole Milk Powder & 1,270 MT of Cheese for the current program year.

JULY 1999 DAIRY PRODUCTS HIGHLIGHTS

BUTTER production was 78.3 million pounds in July, 22.8 percent above July 1998 but 8.9 percent below June 1999. **AMERICAN TYPE CHEESE** production totaled 300.5 million pounds, 8.2 percent above July 1998 and 1.1 percent above June 1999. **TOTAL CHEESE** output (excluding cottage cheese) was 645.6 million pounds, 5.8 percent above July 1998 but 4.0 percent below June 1999. **NONFAT DRY MILK** production, for human food, totaled 101.5 million pounds, 18.5 percent above July 1998 but 15.7 percent below June 1999. **DRY WHEY** production, for human food, was 89.1 million pounds, 9.4 percent below July 1998 and 5.5 percent below June 1999. **ICE CREAM** (hard) production totaled 86.0 million gallons, 0.9 percent below July 1998 and 2.8 percent below June 1999.

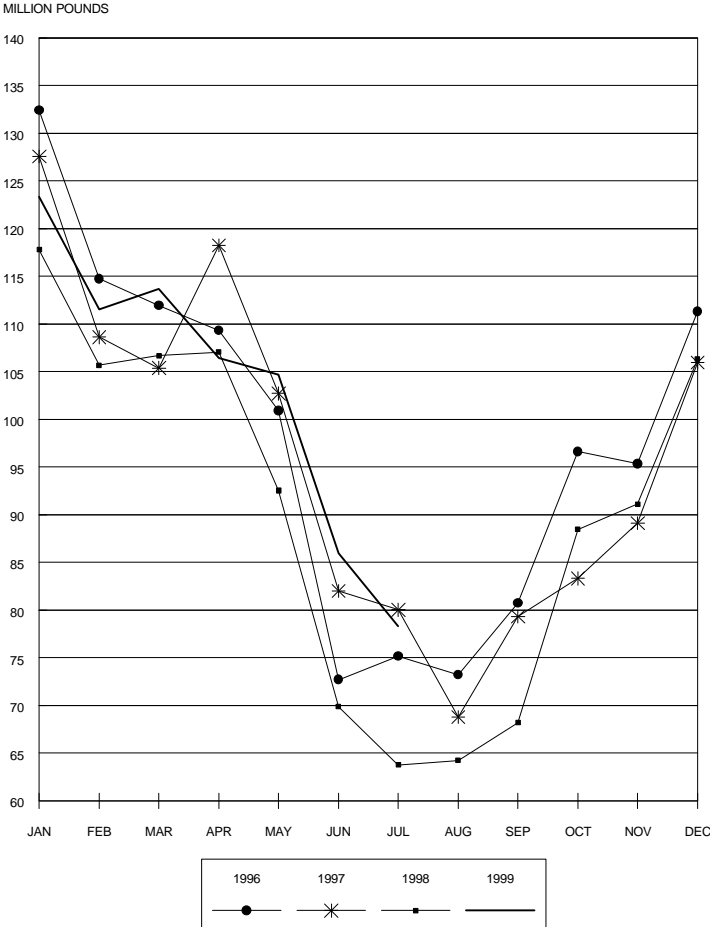
PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	JUL 1999	PERCENT CHANGE FROM:			PRODUCT	JUL 1999	PERCENT CHANGE FROM:		
	1,000 LBS.	JUL 1998	JUN 1999	YEAR TO DATE 1/		1,000 LBS.	JUL 1998	JUN 1999	YEAR TO DATE 1/
BUTTER	78,311	22.8	-8.9	9.1	DRY BUTTERMILK	2,737	-8.0	-17.7	---
CHEESE					YOGURT (PLAIN AND FLAVORED)	132,583	8.1	-10.5	---
AMERICAN TYPES 2/	* 300,522	8.2	1.1	6.7	CONDENSED WHEY, SOLIDS CONTENT 7/				
CHEDDAR	236,999	7.9	1.0	6.4	SWEET-TYPE, HUMAN FOOD	7,858	-19.3	-4.1	---
SWISS	16,805	-9.5	-7.7	---	SWEET-TYPE, ANIMAL FEED	1,511	-37.4	-3.1	---
BRICK & MUENSTER	6,928	-14.6	-12.0	---	DRY WHEY PRODUCTS				
CREAM & NEUFCHATEL	48,736	11.9	-21.6	---	DRY WHEY, HUMAN FOOD	89,138	-9.4	-5.5	---
BLUE	4,264	2.9	0.9	---	DRY WHEY, ANIMAL FEED	9,105	42.8	12.2	---
HISPANIC	6,947	3.5	-5.6	---	REDUCED LACTOSE AND MINERALS				
MOZZARELLA	204,950	6.3	-2.2	6.3	HUMAN FOOD	6,528	-1.5	3.4	---
OTHER ITALIAN TYPES	45,777	-5.8	-17.3	-4.6	ANIMAL FEED	2,811	-0.2	1.1	---
TOTAL ITALIAN TYPES	250,727	3.9	-5.4	4.0	LACTOSE, HUMAN FOOD & ANIMAL FEED	37,133	-9.5	0.8	---
ALL OTHER TYPES	10,685	7.8	-1.2	---	WHEY PROTEIN CONCENTRATE				
TOTAL	645,614	5.8	-4.0	4.9	HUMAN FOOD	26,913	20.7	---	---
COTTAGE CHEESE, CURD 3/	40,353	-2.2	1.4	---	ANIMAL FEED	3,586	-6.3	-1.5	---
COTTAGE CHEESE, CREAM 4/	31,622	-7.5	4.0	-3.4	FROZEN PRODUCTS		1,000 GALLONS	PERCENT CHANGE FROM:	
COTTAGE CHEESE, LOWFAT 5/	31,552	-2.5	-0.5	-0.7	ICE CREAM (HARD)	85,955	-0.9	-2.8	-3.9
CANNED EVAPORATED & CONDENSED					ICE CREAM, LOWFAT (HARD)	9,146	-6.4	-4.4	---
WHOLE MILK	38,244	-0.7	-10.5	---	ICE CREAM, LOWFAT (SOFT)	32,857	-4.5	1.7	---
DRY WHOLE MILK	8,957	-24.8	-8.6	---	ICE CREAM, LOWFAT (TOTAL)	42,003	-4.9	0.3	-8.3
NONFAT DRY MILK, HUMAN FOOD	6/ 101,533	18.5	-15.7	16.7	SHERBET (HARD)	5,355	-2.0	-5.5	0.5
DRY SKIM MILK, ANIMAL FEED	311	-28.7	-42.4	---	YOGURT, TOTAL	7,721	-8.8	-11.5	5.3

MANUFACTURERS' STOCKS, END OF MONTH 8/							
PRODUCT	JUL 1999	PERCENT OF:		PRODUCT	JUL 1999	PERCENT OF:	
	1,000 LBS.	JUL 1998	JUN 1999		1,000 LBS.	JUL 1998	JUN 1999
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	49,754	35.9	-8.7	HUMAN FOOD	16,979	29.9	-4.3
DRY WHEY, ANIMAL FEED	9,404	156.7	24.5	ANIMAL FEED	1,548	41.1	-5.5
REDUCED LACTOSE & MINERALS--HUMAN & ANIMAL 9/	13,709	11.9	7.1	CANNED EVAPORATED & CONDENSED WHOLE MILK	44,468	-20.5	3.6
LACTOSE, HUMAN FOOD & ANIMAL FEED	19,959	-39.5	-16.2	DRY WHOLE MILK	7,524	3.3	-4.1
DRY BUTTERMILK, TOTAL	3,883	-16.6	-15.8	NONFAT DRY MILK FOR HUMAN FOOD	142,388	23.4	-10.1
				DRY SKIM MILK FOR ANIMAL FEED	1,947	75.9	8.7

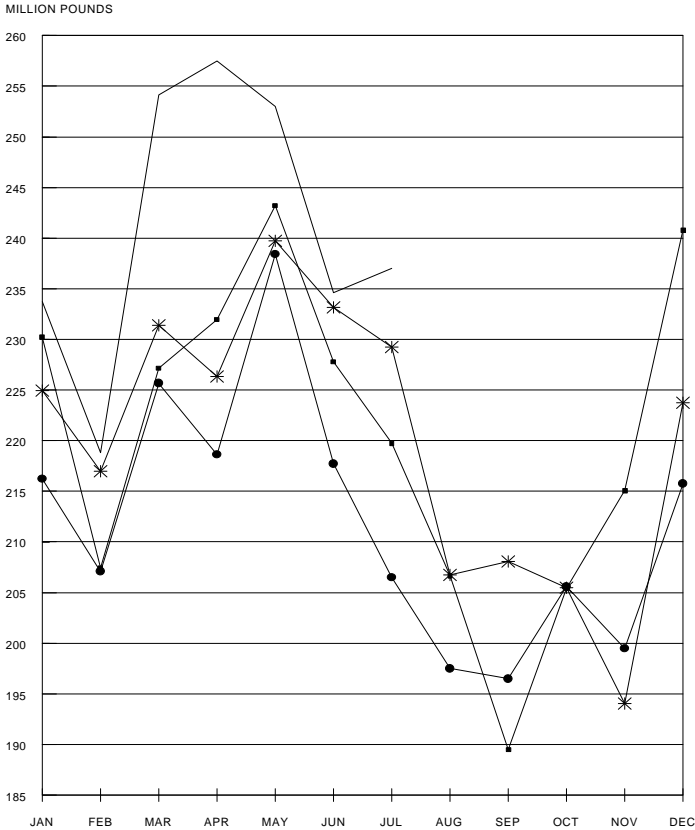
1/ 1999 cumulative as percent change of 1998 cumulative. 2/ Whole milk cheese, including Cheddar, colby, washed curd, stirred curd, monterey and jack. 3/ Mostly used for processing into creamed or lowfat cottage cheese. 4/ Fat content 4 percent or more. 5/ Fat content less than 4 percent. 6/ Includes combined Minnesota and Wisconsin production of 1,796,000 lbs. 7/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 8/ Stocks held by manufacturers at all points and in transit. 9/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. *Includes combined Minnesota and Wisconsin production of 132,040,000 lbs.

SOURCE: "Dairy Products," Da 2-6 (9-99), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

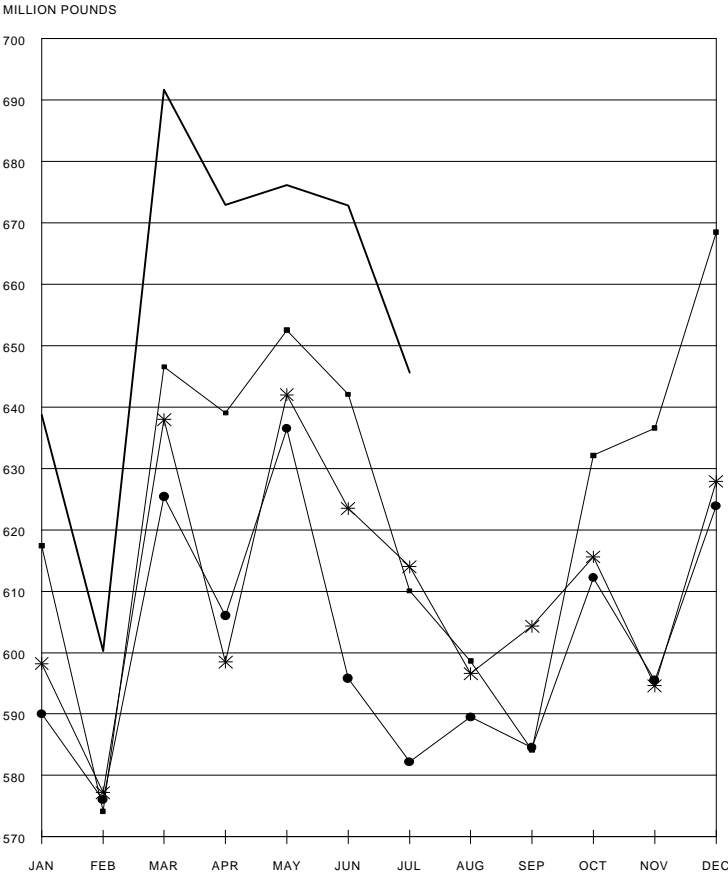
BUTTER PRODUCTION



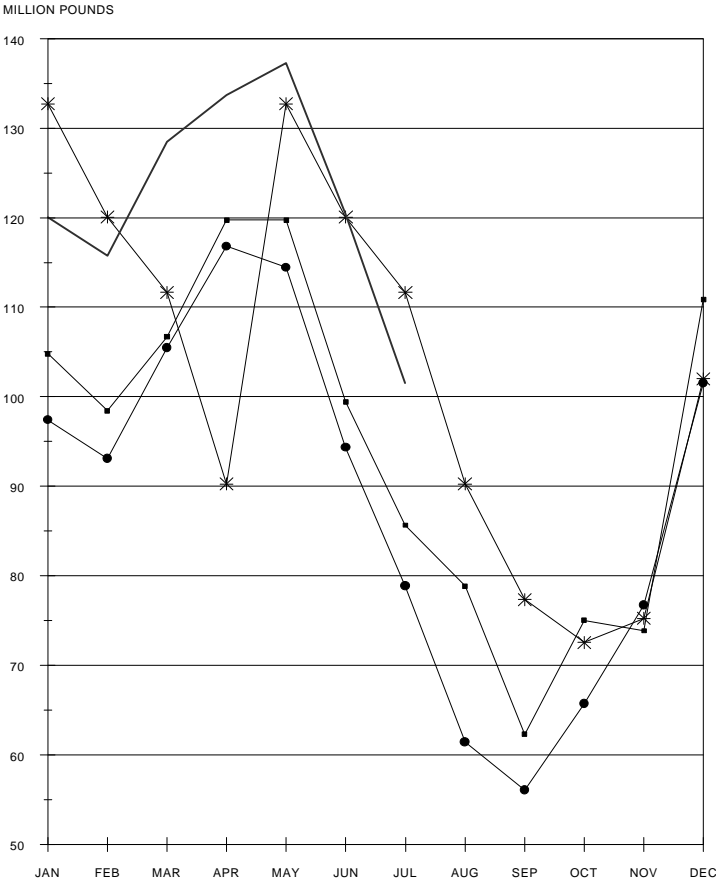
CHEDDAR CHEESE PRODUCTION



TOTAL CHEESE PRODUCTION



NONFAT DRY MILK PRODUCTION - HUMAN FOOD



FEDERAL MILK ORDER MINIMUM CLASS PRICE HIGHLIGHTS

BASIC FORMULA PRICE. The Basic Formula Price for August 1999 is \$15.79 per hundredweight at 3.5 percent butterfat. The August Formula Price is the July base month Minnesota-Wisconsin (M-W) price of \$13.33 at 3.5 percent plus a change of \$2.46, which is the change in the butter/powder/cheese formula from July to August 1999. The August 1999 Basic Formula Price is \$2.20 more than last month and \$0.80 more than the August 1998 Basic Formula Price. This Basic Formula Price is the Class III price for August 1999. (If Congressional action or legal challenge should delay the implementing of the consolidation and reform of the Federal milk order program, then it is also to be used in October 1999 for establishing minimum Class I (fluid use) prices and minimum Class II prices under Federal milk orders. To arrive at the minimum Class I price for each market, a Class I differential, ranging from \$1.20 in the Upper Midwest order to \$4.18 in the Southeastern Florida order, is added to this basic formula price. To arrive at the minimum Class II price for all markets, a differential of \$0.30 is added to this basic formula price.) For those orders which adjust blend prices for butterfat contents varying from 3.5 percent, the producer butterfat differential per 0.1 percent butterfat is 13.6 cents. **MILK COMPONENT CONTENTS.** For the July 1999 base month M-W price, the butterfat content was 3.59 percent, protein 3.06 percent, and solids-not-fat 8.46 percent. For the August 1999 Basic Formula Price, the butterfat content was 3.61 percent, protein 3.10 percent, and solids-not-fat 8.45 percent.

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/														
FEDERAL MILK ORDER MARKETING AREAS 2/	ORDER NUMBER	AUGUST								SEPTEMBER			OCTOBER 3/	
		PRICE PER 100 POUNDS								PRICE PER 100 POUNDS				
		CLASS I		CLASS II		CLASS III		CLASS III-A		CLASS I		CLASS II	CLASS I	CLASS II
		1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1999	1999
		DOLLARS								DOLLARS				
New England (Boston)	1 4/	14.66	16.34	11.72	13.40	15.89	15.09	12.72	16.62	16.83	18.01	13.89	19.03	16.09
New York/New Jersey (NY City)	2 5/	14.56	16.24	11.80	13.48	15.97	15.17	12.80	16.70	16.73	17.91	13.97	18.93	16.17
Middle Atlantic (Philadelphia/ Baltimore/Washington, DC)	4 6/	14.45	16.13	11.72	13.40	15.91	15.11	12.74	16.64	16.62	17.80	13.89	18.82	16.09
Carolina (Charlotte)	5	14.50	16.18	11.72	13.40	15.79	14.99	12.62	16.52	16.67	17.85	13.89	18.87	16.09
Southeast (Atlanta/Birmingham)	7	14.50	16.18	11.72	13.40	15.79	14.99	12.62	16.52	16.67	17.85	13.89	18.87	16.09
Upper Florida (Jacksonville/Tallahassee)	6	15.00	16.68	11.72	13.40	15.79	14.99	---	---	17.17	18.35	13.89	19.37	16.09
Tampa Bay	12	15.30	16.98	11.72	13.40	15.79	14.99	---	---	17.47	18.65	13.89	19.67	16.09
Southeastern Florida (Miami)	13	15.60	17.28	11.72	13.40	15.79	14.99	---	---	17.77	18.95	13.89	19.97	16.09
Michigan Upper Peninsula (Marquette)	44	12.77	14.45	11.72	13.40	15.79	14.99	12.62	16.52	14.94	16.12	13.89	17.14	16.09
Southern Michigan (Detroit)	40 7/	13.17	14.85	11.72	13.40	15.79	14.99	12.62	16.52	15.34	16.52	13.89	17.54	16.09
E. Ohio/W. PA. (Cleveland/Pittsburgh)	36	13.42	15.10	11.72	13.40	15.79	14.99	12.62	16.52	15.59	16.77	13.89	17.79	16.09
Ohio Valley (Columbus)	33	13.46	15.14	11.72	13.40	15.79	14.99	12.62	16.52	15.63	16.81	13.89	17.83	16.09

FEDERAL MILK ORDER MINIMUM CLASS PRICES FOR MILK OF 3.5 PERCENT BUTTERFAT*1/														
FEDERAL MILK ORDER MARKETING AREAS 2/	ORDER NUMBER	AUGUST								SEPTEMBER			OCTOBER 3/	
		PRICE PER 100 POUNDS								PRICE PER 100 POUNDS				
		CLASS I		CLASS II		CLASS III		CLASS III-A		CLASS I		CLASS II	CLASS I	CLASS II
		1999	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1999	1999
		DOLLARS								DOLLARS				
Indiana (Indianapolis)	49	13.32	15.00	11.72	13.40	15.79	14.99	12.62	16.52	15.49	16.67	13.89	17.69	16.09
Chicago Regional	30	12.82	14.50	11.72	13.40	15.79	14.99	12.62	16.52	14.99	16.17	13.89	17.19	16.09
Central Illinois (Peoria)	50	13.03	14.71	11.72	13.40	15.79	14.99	---	---	15.20	16.38	13.89	17.40	16.09
S. Illinois/E. Missouri (Alton)	32	13.34	15.02	11.72	13.40	15.79	14.99	---	---	15.51	16.69	13.89	17.71	16.09
Louisville/Lexington/Evansville	46	13.53	15.21	11.72	13.40	15.79	14.99	12.62	16.52	15.70	16.88	13.89	17.90	16.09
Upper Midwest (Minneapolis)	68	12.62	14.30	11.72	13.40	15.79	14.99	12.62	16.52	14.79	15.97	13.89	16.99	16.09
E. South Dakota (Sioux Falls)	76	12.92	14.60	11.72	13.40	15.79	14.99	---	---	15.09	16.27	13.89	17.29	16.09
Iowa (Des Moines)	79	12.97	14.65	11.72	13.40	15.79	14.99	12.62	16.52	15.14	16.32	13.89	17.34	16.09
Nebraska/W. IA. (Omaha/Sioux City)	65	13.17	14.85	11.72	13.40	15.79	14.99	12.62	16.52	15.34	16.52	13.89	17.54	16.09
Greater Kansas City	64	13.34	15.02	11.72	13.40	15.79	14.99	---	---	15.51	16.69	13.89	17.71	16.09
Southwest Plains (Oklahoma City)	106	14.19	15.87	11.72	13.40	15.79	14.99	12.62	16.52	16.36	17.54	13.89	18.56	16.09
Texas (Dallas)	126	14.58	16.26	11.72	13.40	15.79	14.99	12.62	16.52	16.75	17.93	13.89	18.95	16.09
Eastern Colorado (Denver)	137	14.15	15.83	11.72	13.40	15.79	14.99	---	---	16.32	17.50	13.89	18.52	16.09
Western Colorado (Grand Junction)	134	13.42	15.10	11.72	13.40	15.79	14.99	---	---	15.59	16.77	13.89	17.79	16.09
SW Idaho/Eastern Oregon (Boise)	135	12.92	14.60	11.72	13.40	15.79	14.99	12.49	16.59	15.09	16.27	13.89	17.29	16.09
Great Basin (Salt Lake City)	139	13.32	15.00	11.72	13.40	15.79	14.99	---	---	15.49	16.67	13.89	17.69	16.09
Central Arizona (Phoenix)	131	13.94	15.62	11.72	13.40	15.79	14.99	12.49	16.59	16.11	17.29	13.89	18.31	16.09
New Mexico/West Texas (Albuquerque)	138	13.77	15.45	11.72	13.40	15.79	14.99	12.62	16.52	15.94	17.12	13.89	18.14	16.09
Pacific Northwest (Seattle/Portland)	124	13.32	15.00	11.72	13.40	15.79	14.99	12.49	16.59	15.49	16.67	13.89	17.69	16.09
SIMPLE AVERAGE	---	13.74	15.42	11.72	13.40	15.80	15.00	12.62	16.55	15.91	17.09	13.89	18.11	16.09

* To convert the Class I price per 100 pounds to the Class I price per gallon, divide by 11.63--the approximate number of gallons in 100 pounds of milk. For example, the minimum Class I price in Boston (the New England market) in October 1999 is \$19.03 per 100 pounds or \$1.64 per gallon (\$19.03 divided by 11.63 equals \$1.6363).

1/ Note: The mandatory \$0.20 per cwt. processor assessment under the Fluid Milk Promotion Order is not included in the Class I prices shown on this table. This assessment applies to all persons who process and market more than 500,000 pounds of fluid milk products in consumer-type packages in the 48 contiguous States and the District of Columbia during the month.

2/ Names in parentheses are principal cities and pricing points of markets.

3/ **For information only.** These prices will be applicable should Congressional action or legal challenge delay the implementation of the consolidation and reform of the Federal milk order program scheduled for October 1, 1999. Class price data for the new consolidated orders for October 1999 will be announced on September 17, 1999 and November 5, 1999. See page 14 of DMN Vol. 66 report #35 for more detail.

4/ Zone 1, Boston. Class I price at 201-210 mile zone--72 cents less.

5/ New York City metropolitan area. Prices at 201-210 mile zone: Class I - 72 cents less, Class II - 8 cents less, Class III - 8 cents less, and Class III-A - 8 cents less.

6/ Prices exclude a 6-cent direct delivery differential applicable to milk delivered to Philadelphia.

7/ Prices exclude a 10-cent direct delivery differential applicable to milk delivered to Detroit metropolitan area.

CCC PURCHASES OF DAIRY PRODUCTS

	FOR THE WEEK OF SEPTEMBER 6 - 10, 1999			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/98	SAME PERIOD LAST YEAR	PERIOD ENDING 09/03/99	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Process	-0-	-0-	-0-	-0-	-0-	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-
NONFAT DRY MILK							
Nonfortified	949,702	-0-	949,702	178,295,382	122,534,179	-0-	-0-
Fortified	-0-	-0-	-0-	2,223,406	-0-	-0-	-0-
TOTAL	949,702	-0-	949,702	180,518,788	122,534,179	-0-	-0-

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF SEPTEMBER 6 - 10, 1999 =	0.2	11.1	COMPARABLE WEEK IN 1998 =	-0.5	-26.1
CUMULATIVE SINCE OCTOBER 1, 1998 =	39.7	2,101.2	CUMULATIVE SAME PERIOD LAST YEAR =	27.0	1,426.3
CUMULATIVE JANUARY 1 - SEPTEMBER 10, 1999 =	39.7	2,100.0	COMPARABLE CALENDAR YEAR 1998 =	25.2	1,334.9

* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF SEPTEMBER 6 - 10, 1999 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
MI DWEST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	949,702	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/98 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
	1998/99	1997/98	1998/99	1997/98	1998/99	1997/98	1998/99	1997/98
MI DWEST	-0-	-0-	-0-	-0-	15,434,971	11,550,729	8.5	9.4
WEST	-0-	-0-	-0-	-0-	165,083,817	110,696,907	91.5	90.4
EAST	-0-	-0-	-0-	-0-	-0-	286,543	0.0	0.2
TOTAL	-0-	-0-	-0-	-0-	180,518,788	122,534,179	100.0	100.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1999MANUFACTURING MILK: Average Test 3.67% - \$9.90 per cwt.; 3.5% - \$9.80DOLLARS PER POUNDBUTTER: Bulk \$.6500; 1# Prints \$.6800CHEESE: 40 & 60# Blocks \$1.1000; 500# Barrels \$1.0700; Process American 5# \$1.1525; Process American 2# \$1.1925NONFAT DRY MILK: Nonfortified \$1.0100; Fortified \$1.0200; Instant \$1.1675Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 08/21/99 & Comparable Week 1998 1/2/

Regions*	U.S. TOTAL										% DAIRY OF ALL	
	1	2	3	4	5	6	7	8	9	10	WEEK	SINCE JAN 1
1999-Dairy cows HD (000)	0.3	1.0	7.5	5.8	20.5	2.4	2.6	0.7	9.1	2.5	52.3	1,642.9
1998-Dairy cows HD (000)	0.3	1.6	6.0	5.4	17.3	2.4	2.5	1.1	9.3	2.6	48.4	1,725.8
1999-All cows HD (000)	0.3	1.2	10.3	13.8	28.4	14.3	17.3	3.8	12.1	6.6	108.1	3,570.6
1998-All cows HD (000)	0.3	1.6	8.3	15.7	24.0	17.8	15.9	5.3	11.8	6.6	107.2	3,766.6

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NB, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HA; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

CCC MARKET PRICE PURCHASES 9/03MOZZARELLA

SEPTEMBER-OCTOBER DELIVERY

MOZZARELLA LMPS SHREDDED 766,080 \$1.7964-1.8401

BASIC FORMULA PRICE (BFP), MAY 1995* TO DATE & HISTORIC M-W (3.5% BF, \$/CWT.)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
1994	12.41	12.41	12.77	12.99	11.51	11.25	11.41	11.73	12.04	12.29	11.86	11.38
1995	11.35	11.79	11.89	11.16	*11.12	11.42	11.23	11.55	12.08	12.61	12.87	12.91
1996	12.73	12.59	12.70	13.09	13.77	13.92	14.49	14.94	15.37	14.13	11.61	11.34
1997	11.94	12.46	12.49	11.44	10.70	10.74	10.86	12.07	12.79	12.83	12.96	13.29
1998	13.25	13.32	12.81	12.01	10.88	13.10	14.77	14.99	15.10	16.04	16.84	17.34
1999	16.27	10.27	11.62	11.81	11.26	11.42	13.59	15.79				